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C O N F I D E N T I A L SECTION 01 OF 02 KINSHASA 002168

SIPDIS

E.O. 12958: DECL: 12/31/2014

TAGS: PGOV KCOR ECON CG

SUBJECT: KABILA SUSPENDS SIX MINISTERS IN CORRUPTION SCANDAL

REF: A. KINSHASA 2146

¶B. KINSHASA 1934

Classified By: Poloff Edward Bestic for Reasons 1.5 B and D

11. (C) SUMMARY: In the wake of a parliamentary report on corruption, President Kabila on November 25 suspended six ministers while the Minister of Porftolio minister suspended the managers of ten state-owned enterprises. In our view, this action is an attempt to seize the moral high ground before a scheduled parliamentary vote on the issue November 126. Vice President Bemba's own party issued a statement crediting Bemba with the anti-corruption drive, yet asking that the accused (one of whom is in the MLC) be allowed to defend themselves. Meanwhile, the CIAT called on the Congolese to continue negotiating the subject of dividing up state-owned enterprises, and said SOE managers should be professional and apolitical — the latter point likely to be seen as pro-Kabila. END SUMMARY.

Kabila Suspends Ministers

- 12. (U) President Kabila suspended on November 25 six ministers who were cited in a recent parliamentary report on corruption (reftel A). The six mentioned in the presidential communique include Minister of Mines Eugene Diomi (political opposition), Minister of Energy Kalema Lusona (Kabila's party, the PPRD), Minister of Public Works Jose Endundo (from Vice President Jean-Pierre Bemba's party, the MLC), Minister of Transport Joseph Olengankhoy (political opposition), Minister of Foreign Trade Roger Lumbala (RCD-N), and Minister of Higher Education Joseph Mudumbi (RCD-Goma). The same day, Minister of Portfolio Celestin Vunabandi also suspended the executives of ten state-owned enterprises (SOEs), including the national power, maritime transport, roads and hydrocarbons companies. (Note: CEEC, the diamond-certification authority, was not among these. End Note.)
- 13. (C) According to a top aide to National Assembly President Olivier Kamitatu, the National Assembly still plans to meet in plenary on November 26 to vote on its commission's report. Kamitatu is under great pressure from those cited in the document, the aide said.
- 14. (U) Vice President Bemba's MLC issued a statement on November 25, which praised the parliamentary commission's work and gave Bemba the credit for leading the fight for good governance. The MLC also asked the GDRC and commission to give those accused in the report a chance to explain themselves.

CIAT Position on State-Owned Enterprises

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15. (U) The 17 ambassadors making up the International Committee to Support the Transition (CIAT) issued their own communique on November 25 on the subject of dividing up state-owned enterprises. This was a follow-up to CIAT's initial communique of October 14 in response to Vice President Bembas's call for the CIAT to arbitrate his long-standing dispute with the presidency over control of the Congolese parastatals (reftel B). The CIAT called on President Kabila and his four vice presidents to discuss the matter among themselves and put it on the agenda for their next meeting with the CIAT. The CIAT statement also emphasized several principles, including: the parties should continue to negotiate the matter; the management of SOEs should be professional and applitical; the parties must not use SOEs to finance electoral campaigns; any solution must conform to provisions set by the World Bank and the IMF; there must be total transparency as called for by the Congolese public; and strong support for Parliament's current efforts to ensure transparency. (Note: Text of the communique is being faxed to AF/C.)

COMMENT

16. (C) Kabila's action, coming just before the National Assembly's own vote, is a belated attempt to seize the moral high ground on this issue. The MLC's own statement hints at Bemba's dilemma -- the desire to defend Endundo, yet also present a "clean" public image. The CIAT statement may be

interpreted by some here as a minor defeat for Bemba and support for Kabila, reflecting the expressed preference to establish a new commission to appoint apolitical managers. Prevailing CIAT sentiment which we fully supported, however, was to convey a message that the politically-based traditional "spoils" treatment of parastatals should come to an end. The timing of the communique was deliberately set to coincide with the public action suspending the ministers and SOE executives, seeking to make it more difficult for political leaders so inclined to defend publicly the old approach. End comment.

MEECE